

Board Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
October 9, 2017
8:30 AM – 11:30 AM

Board Members Present: Mike Conway, Steve ErkenBrack, Davis Fansler, Adela Flores-Brennan, Sharon O’Hara and Nathan Wilkes

Board Members Joining via Phone: Kyle Brown, Jay Norris and Marc Reece

Board Members Absent: Sue Birch and Denise O’Leary

Staff Present: Brian Braun, Luke Clarke, Kelly Davies, Beth Deines, Claudia Farnham-Wittner, Kate Harris, Kevin Patterson, Jackie Sanderson, Alan Schmitz and Lisa Sevier

Approximately 6 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Business Agenda

- The meeting was called to order at 8:30 am.
- Adela Flores-Brennan chaired the meeting, welcoming everyone in attendance, both in-person and on the phone.
- The September board meeting minutes were approved.
- There were no changes to the agenda.
- Disclosure of Conflicts of Interest: none

II. Board Report

Board Advisory Group Vacancies

If members of the Board Advisory Group leave the group prior to the expiration of their term, the Executive Committee will appoint a replacement. Replacements will be appointed once in the spring and once in the fall regardless of when members leave the group. It is up to the discretion of the Executive Committee to determine whether to recruit the new member(s) or use the existing list of original applicants.

Currently the group has three vacancies a broker, carrier and provider. The committee will pull from the existing list paying specific attention to the broker’s location, as the initial broker was from the western slope.

Wakely Report

Mike Conway, Deputy Commissioner of Insurance with the Division of Insurance (DOI), reviewed the Wakely consumer impact analysis of the Colorado individual exchange renewals. The analysis

was conducted to analyze Connect for Health Colorado's individual market rate changes before and after federal premium subsidies.

Key findings from the report include:

- Only one carrier has plan options in every county of the state in 2017 and 2018
- There will be three or fewer carrier options in 56 of 64 counties in the state (14 will only have one option)
- The average number of plans available will decrease from 48 in 2017 to 44 in 2018
- For any given county, the number of plan offerings is changing by between 7 more plans and 12 fewer plans
- No platinum plans are offered by any carrier on the exchange in 2017 or 2018
- 34,112 consumers (22%) are enrolled in plans no longer being offered in their area in 2018 and will need to select new plans
- Lowest total plan count is in western Colorado
- Non-subsidy eligible enrollees: Premiums for plans continuing in 2018 are increasing by 32% on average
 - Enrollees in the east regions will experience the largest premium increase if they auto-renew
 - Enrollees in Grand Junction, Greeley, and Pueblo will experience the lowest average increases
 - For subsidy eligible enrollees the second lowest cost silver premium used for subsidies is increasing by 21% on average
- Subsidy eligible enrollees: The second lowest cost silver premium used for determining subsidies is increasing by 21% on average for subsidy eligible enrollees
 - Average subsidy per member per month (PMPM) increases by \$178, or 56%
 - The Boulder and Denver regions show the largest increases
 - Before subsidies, premiums for subsidy-eligible enrollees are increasing by \$151 PMPM on average while subsidies are increasing by \$178 PMPM on average
 - As a result, subsidized premiums are decreasing by 18% on average
 - The west rating area is the only rating area in which the average increase in subsidy is lower than the average increase in premiums
 - While on average premiums after subsidies are decreasing from 2017, many consumers will have an opportunity to find even lower cost plans in 2018 if they shop
 - All tier enrollees except catastrophic are expected to see premium reduction on average even if they auto-renew
 - Approximately 20,594 enrollees appear to be eligible for Cost Sharing Reduction (CSR) plans but are not enrolled in silver plans so they cannot take advantage of CSRs
 - 908 enrollees appear to be eligible for premium subsidies but are enrolled in Catastrophic plans
 - Due to the increase in the second lowest cost silver premiums in most areas of the state, 5,900 more households that can now receive subsidies because the cost of the benchmark plan is higher than their required contribution
- Near \$0 premium plan availability for enrollees

- 749 enrollees will not be able to maintain current \$0 premium
- However, significantly more households could achieve \$0 premium in 2018 due to increase in benchmark premiums, and thus APTC for many households

The DOI is working to help lower costs for the non-subsidy eligible by bringing carriers not currently in Colorado into the state in order to increase competition. Currently, through senate bill 300, there is an ongoing study on reinsurance with hopes this will lead to establishing a reinsurance model. In addition, certainty around regulations and the marketplace are needed from the federal level.

The Board discussed ways to help the subsidy eligible enrollees, who are eligible for CSR but have not utilized it, including the order of plans being displayed.

The possibility of an executive order allowing association health plans to sell across state lines causes concerns that carriers could leave the marketplace before the next open enrollment. However, the DOI is focused on keeping the current carriers in the marketplace as well as bringing more carriers into the marketplace.

Action Item

- *Investigate how enrollees who appear to be CSR plan eligible, but not enrolled in a CSR eligible plan, were enrolled.*

III. CEO Report

Kevin Patterson, Chief Executive Officer, gave a brief update to the board.

- Staff are looking at ways to improve the organization’s connection with the southeastern area of the state.
- State based marketplace directors will be meeting in Albuquerque to continue important conversations around best practices.
- The National Academy for State Health Policy (NASHP) is considering having its spring conference here in Denver.
- Mr. Patterson is continuing outreach with a visit to northern Colorado in the next two weeks.

IV. Finance & Operations Committee Report

SHOP Finance Review

The committee reviewed an analysis of the cost of the Small Group Health Insurance Plans (SHOP). Cost reduction strategies are underway and will continue to be analyzed for further reductions.

The organization is in the process of talking to stakeholders and carriers to review the best options for the future of the program.

Audit Update

The organization continues to be on track with implementing all audit recommendations by the end of the year.

IT Assessment Update

The findings and recommendations of an IT assessment conducted by Day Health Strategies was reviewed with the committee during the September committee meeting. Staff is evaluating possible next steps.

V. Policy Committee

Board Advisory Group Update

Jo Hubchik, Co-chair for the Board Advisory Group, reported out on an on-going discussion with the group around the potential standardization of the plans offered through the Marketplace.

Additionally, members of the group met with staff from Covered California to get an overview of Covered California's experience with standardization.

This concept came from a desire, mainly from the consumer representation in the group, to simplify choice by limiting plans. The general consensus of the group is in favor of some level of standardization. Thoughts the group include:

- Limiting the number of plans per tier
- Requiring one of the offerings per tier be standardized
- Allowing for some non-standardized plans - to allow for HSA compatible plans and innovative plan design
- Only carriers participating in the standardized plans may offer non-standard option(s)

Some comments from the group included more education and guidance for consumers rather than limiting choice. Concern from some group members is that a decision around standardizing plans should come from the DOI and not Connect for Health Colorado.

Mr. Patterson noted that first and foremost, the organization would need to determine whether it has the legal authority to move to standardized plans. Further considerations would include the amount of work that would be required as well as the overall cost to Connect for Health Colorado to make this level of changes. This also depends on the policy conversation that looks at a continuum of changes from sorting plans, to limiting plans on the Marketplace, to standard plans.

The discussion will be brought back to the Policy Committee for further review.

Open Enrollment Update

Kelly Davies, Director of Product Development, gave an update on open enrollment five (OE5)

- Due to the shortened enrollment period system capacity has been increased to allow the system to handle higher volumes in the shortened amount of time.
- Quality checking at the project level has been implemented, this allows the organization to get more detailed insight into all levels of the preparations for open enrollment.
- Alignment and transparency with vendors has been increased.
- On schedule with all testing.
- Contingency plans are being discussed and worked on in case of any changes in CSRs.
- Recertification of brokers ends on October 29th, currently 489 brokers have been recertified.
- Federal authorization of the Children's Health Insurance Program (CHIP) expired on September 30th. The Colorado Department of Health Care Policy and Financing (HCPF)

estimates having funds for the program until the end of January 2018. If congress does not act before then, 75,000 children will be APTC eligible and could be coming to Connect for Health Colorado for insurance. The organization has elevated system capabilities and customer service to handle the increased volume. Additionally, the organization is working with HCPF to ensure noticing for the families is as clear as possible around the children's eligibility for APTC. Furthermore, outreach has been put in place for the affected pregnant women, to direct them to the Marketplace.

Legislative Update

- Currently there are no market stabilization bills moving forward.
- Both the House and the Senate have introduced bills on CHIP reauthorization.
- A bipartisan bill on employer's reporting of employee insurance coverage has been introduced, which may affect how the organization's reconciliation process is done.
- An executive order may be released this week that affects association health plans, health reimbursement arrangements (HRA)s and short-term plans.
- Labor and treasury released an interim final rule on contraceptive coverage which may expand on what organizations can claim exception to the rule.
- The proposed 2019 notice of benefits payment parameters, the regulations that govern the Marketplace and carriers, should be released soon.

VI. Public Comment

Public comment was given by:

A.J. Ehrle IV, Broker

Bethany Pray, Colorado Center on Law & Policy

Brad Niederman, Niederman Insurance

Charlie Sheffield, Colorado Association of Health Plans

Deb Judy, Colorado Consumer Health Initiative

Chris Adams, Broker

VII. Adjourn

Meeting adjourned at 11:18 a.m.

Respectfully submitted,

Davis Fansler
Board Secretary